

*LCN Fund Full Submission*  
*Supplementary Answer Form*

Tick if this answer is Confidential:

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Project code:	UKPNT205	Question Number	UKPNT205 - 28
Question date	19 September 2013	Answer date	24 September 2013
Submission section question relates to	2: Project Description (and other sections)		
Topic	Technical		
Question	The V-CEE submission appears to use the terms 'fuel poor' and 'vulnerable' customers interchangeably throughout the submission. These are different categories. Fuel poor customers are not necessarily vulnerable customers, and vulnerable customers are not necessarily fuel poor. Other descriptions are also used (eg households dependent on state pension or dependent on benefits). Please clarify which groups your project will be focused on.		
Notes on question			
Answer	<p>We understand that fuel poor and vulnerable are different categories, and are not interchangeable, although the two issues overlap. Our priority for this project will be to recruit participants who are fuel poor. However, it is difficult to accurately identify which households are fuel poor as one would need to know:</p> <ul style="list-style-type: none"> <li>a) their 'required fuel costs' (based on BREDEM class modelled estimates of the energy needed to heat their home to a defined temperature)</li> <li>b) their income.</li> </ul> <p>We therefore propose a multi-stage approach to recruitment.</p> <ul style="list-style-type: none"> <li>- Firstly, creating a list of British Gas customers who are residents of either Tower Hamlets Homes or Poplar HARCA.</li> <li>- Second, using available data to screen potential participants to identify people likely to meet current definitions of being in fuel poverty.</li> <li>- Third, contact these people by invitation to arrange a face to face or phone interview.</li> <li>- Fourth, to gather additional data from face to face or telephone interviews with these people to test for whether they meet the</li> </ul>		

participant criteria.

To do the second, we propose using a number of proxies, including indicators of both fuel poverty and vulnerability, to identify households that are likely to be in, or at risk of, fuel poverty.

As part of the initial phase of the project, we will discuss with the project partners the data that they can share with us. We will then agree a process for identifying the target group for this trial, based on correlating a number of available data sets.

One key indicator that we could use as a proxy will be the efficiency of the householder's property. A householder in a highly rated (A or B) property is unlikely to be in fuel poverty even if their income is very low, whereas a householder in a low rated (F or G) property is likely to be in fuel poverty even if their income is high. For householders living in properties in the middle EPC bands, the likelihood of their being fuel poor will depend on their income levels and the amount of energy they need (e.g. whether they are at home during the day).

According to DECC's latest fuel poverty report (DECC, 2013):

- 34% of households in G rated properties are fuel poor
- 25% of households in F rated properties
- 18% of households in E rated properties
- 7% of householders in D rated properties
- Only 7% of households living in a D rated property are fuel poor
- Only 2% of households living in A, B or C rated properties are fuel poor

The project partner housing providers hold EPC data on their stock and we know that, although they have only a very few F or G rated properties; they have a considerable number of E rated properties.

Criteria for inclusion in the trial may therefore be along the following lines:

- All households to be British Gas electricity customers **AND**
- All householders to be tenants of either Poplar HARCA or Tower Hamlets Homes **AND THROUGH SCREENING EITHER:**
  - Live in an F or G rated property (irrespective of income), **OR**
  - Live in an E rated property and are in receipt of any income-related benefits, **OR**
  - Live in a D rated properties **AND** are
    - in receipt of certain benefits (to be agreed with project partners – e.g. 100% housing benefit) **OR**
    - in receipt of the Warm Homes Discount **OR**
    - have someone over 70 living at the address **OR**
    - have someone under 5 living at the address, **OR**
    - are on, or eligible to be on, the UK Priority Services Register

These criteria will be refined in discussion with the project partners and clearly we will need to manage this recruitment step by step and the screening process to ensure we secure the project's targeted number of trial participants.

Please note, Tower Hamlets Homes, which manages 22,000 properties, has

	<p>already broken down their stock by EPC rating and the number of tenants in those properties on different levels of housing benefit. They estimate the following:</p> <ul style="list-style-type: none"> <li>• No G rated properties</li> <li>• 220 F rated properties</li> <li>• 3,960 E rated properties (less than 500 of which have tenants who do not receive any housing benefit)</li> <li>• 7,920 D rated properties (around 2,000 of which have tenants receiving 100% housing benefit)</li> </ul> <p>We recognise that this method is imperfect in terms of identifying householders in fuel poverty but we believe that, given the low average incomes of the target area and the fact that all participants will be social housing tenants, who have lower average incomes than owner occupiers/private tenants, the majority of householders meeting the agreed criteria will be struggling with their fuel bills.</p>
Attachments	
Verbal Clarifications (Consultants )	